

Michael F. Easley  
Governor



State of North Carolina  
Office of the Governor

---

For Release: **IMMEDIATE**  
Date: Dec. 16, 2005

Contact: Sara Parsons  
Phone: 919/733-5612

---

**GOV. EASLEY ANNOUNCES TOBACCO GROWERS AND QUOTA HOLDERS TO RECEIVE  
PHASE II TOBACCO TRUST FUND PAYMENTS**

***More Than \$152 Million Will Be Distributed In The Final Year of Fund Payments***

**RALEIGH** – Gov. Mike Easley today announced that 76,702 flue-cured and burley tobacco growers and quota holders in North Carolina will receive more than \$152 million in the final payment year from the North Carolina Phase II Trust Fund. Checks are being mailed today and Monday. Since 1999, North Carolina farmers and quota holders have received more than \$837 million from the Fund.

“When I negotiated the national tobacco settlement, I made certain that there would be a separate agreement that benefited our farmers,” said Easley. “For the past six years, as our economy has transitioned, the Phase II payments have provided a boost for the agriculture industry and allowed many farmers to successfully diversify their farming operations.”

The payments were a part of a settlement reached by the attorneys general and governors of 14 tobacco producing states and four major tobacco manufacturers. The purpose of the Fund was to offset losses experienced by tobacco owners and quota owners as a result of reduced sales of cigarettes following the Phase I settlement. Phase II payments will end this year as a result of the tobacco buyout and end of the quota system.

“Since 1999, our farmers have used Phase II money to upgrade their operations and make them more efficient,” said Agriculture Commissioner Steve Troxler. “This money has not only helped farmers, it has also helped rural communities throughout North Carolina.”

Phase II funds are administered by the N.C. Phase II Tobacco Certification Entity Inc., a private, nonprofit organization with a 14-member Board of Directors including the Governor, Commissioner of Agriculture, Attorney General, two members of the State’s congressional delegation, two members of the State legislature, six tobacco owners and quota holders and a private citizen.

To receive payments from the Fund, growers and quota holders must have been certified each year by the N.C. Phase II Tobacco Certification Entity. For more information about the Fund, visit [www.ncphase2.com](http://www.ncphase2.com).

Agriculture is North Carolina’s top industry, contributing more than \$59 billion annually to the state’s economy. Agriculture and agribusiness employs more than 18 percent of the state’s work force.

###

---

Governor's Press Office  
State Capitol, Raleigh, NC 27603-8001  
(919) 733-5612 - Toll Free 1-800-662-7005  
FAX (919) 733-5166